Defense Distribution Center

Forward Stock Update

Enhanced Warfighter Support

Stock Positioning Plan

An Optimized Global Distribution System Providing Responsive, Reliable, End to End Service to our Customer

Tenets of a World Class Distribution System:

- Speed/CWT - Right place, right time
- Reliability/TDD - Consistent performance
- Best Value - Performance at the right cost
- Visibility - Accountability
- Environmental Impact – Reduces energy consumption & infrastructure

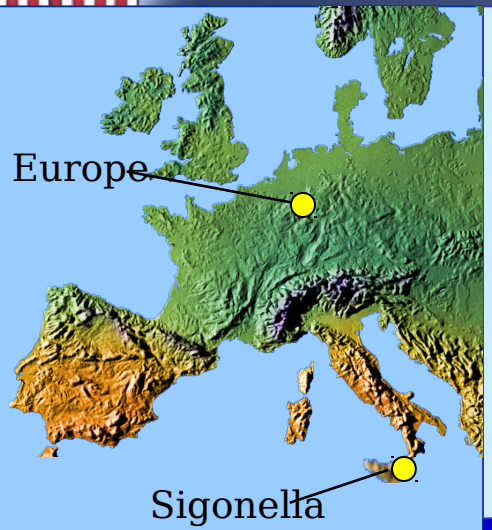
Keys to Success

Stock **P**ositioning → **S**cheduled **T**ransportation → **S**ynchronization

Distribution Support Strategy Responding to Forward Deployed Forces

We Need to be Where They Are!

DLA OCONUS Stocking



Europe (Germersheim, GE)

2001: 2,451 NSNs

2004: NSNs

CWT Reduction 6 Days

Sigonella, IT

Pearl Harbor

1999: 0 NSNs
2004: 9,295 NSNs
CWT Reduction: 18 Days

Goals

- Improve Overall Readiness
- Reduce Customer Wait Time (CWT)
- Reduce Inventory (Wholesale +/or Retail)
- Reduce Transportation Costs

Yokosuka

1999: 0 NSNs
2004: 16,609 NSNs
CWT Reduction: 15 Days

CWT Reduction 15 Days

Forward Stocking Initiative Planned Sites

Forward Distribution Depot - Guam

- **4,200+ Candidate NSNs**
- **Potential $1.4M in Annual Transportation Savings**
- **Standup Oct 04**

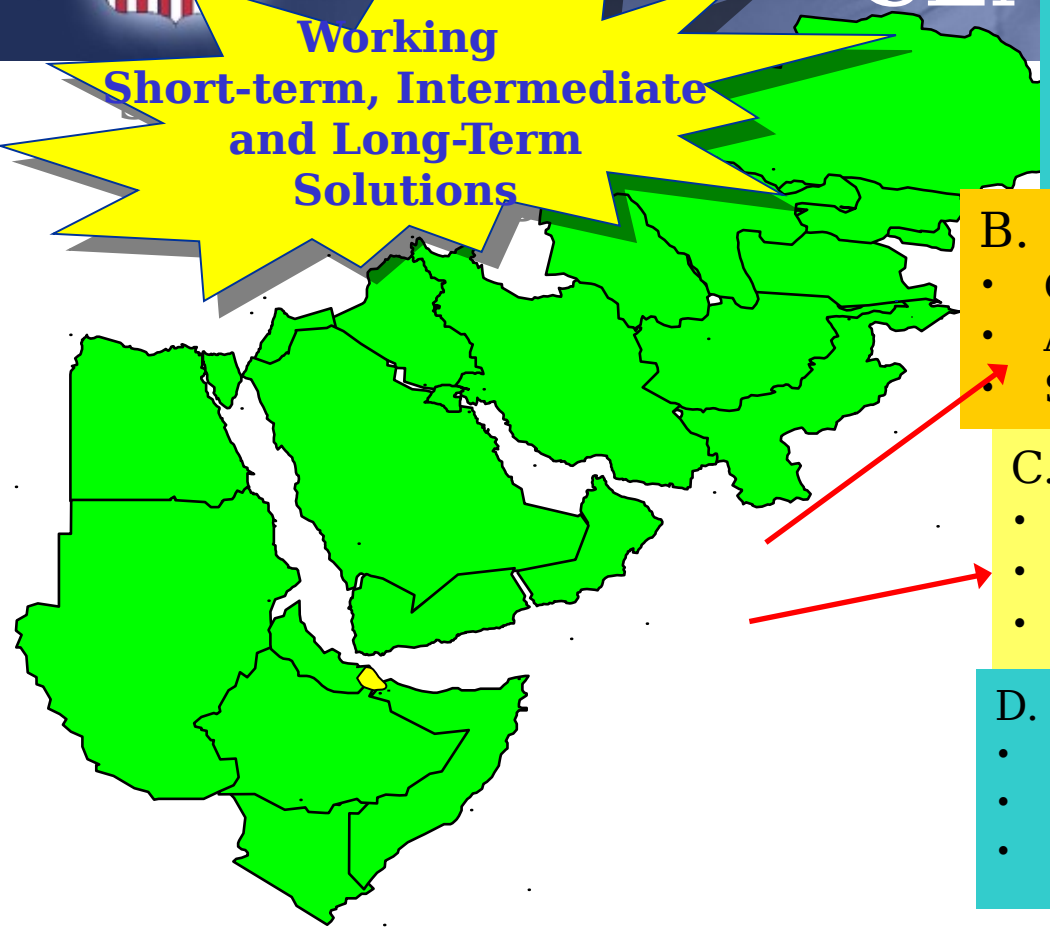
Forward Distribution Depot - Korea

- **13,802 Candidate NSNs**
- **Potential $4.1M in Annual Transportation Savings**
- **Standup Dec 04**

Improved Readiness at Reduced

Forward Stocking Initiative CENTCOM

Working Short-term, Intermediate and Long-Term Solutions



A. Immediate Assistance
- Truck support to 1stID from depot in Germany
- Start 30 May 04

B. Short-Term Solution
- Contingency Contract to Operate in Kuwait
- Annual transportation savings of $163M
- Start 30Aug 04 w/ 7800+ Items

C. Interim Solution
- Competitive Contract for depot in Kuwait
- Annual transportation savings of $270M
- Start 30 Aug 05 estimate 40,000+ Items

D. Long-Term Solution
- Theater Distribution Platform in Bahrain
- Continue to work MILCON w/ NAVY
- Land Transfer in FY-06

Goal: Establish a Fully Functional Distribution Activity in CENTCOM AOR

DLA Integrated Distribution Strategy

Enhanced Warfighter Support

Deployable Distribution Requirement

2003 Focused Logistics Wargame Tasking:

Improving Theater Distribution Capabilities

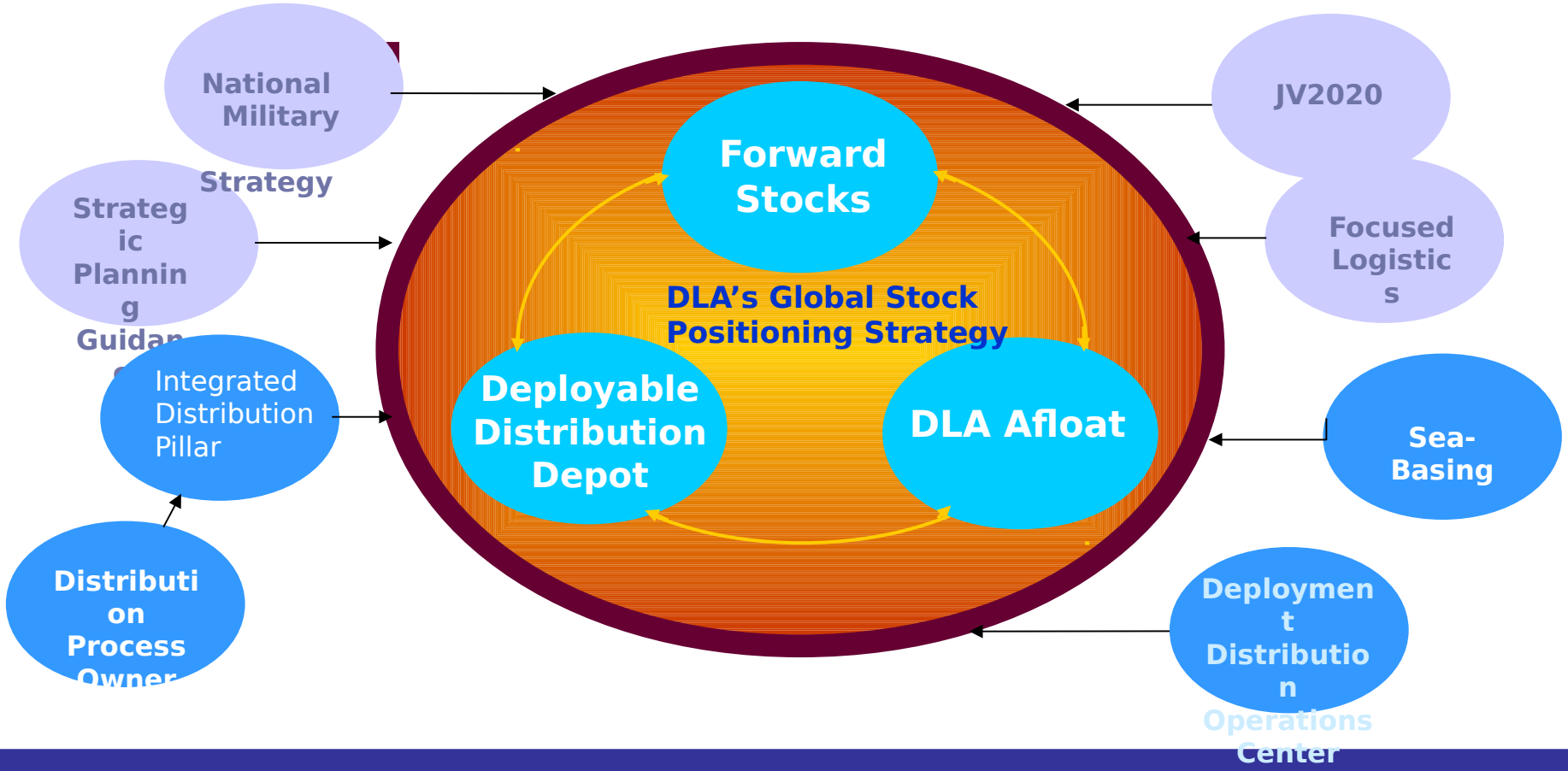
"DLA should pursue the development of a fully deployable distribution capability…"

Desired End State:

"A deployable distribution capability is provided to support a full range of contingency operations"

DoD Integrated Distribution Strategy

Integrated Distribution Pillar
- Supply & Transportat
- DVD
- DTCI



DLA Distribution –
Flexibility to Support Current & Future Logistics Concepts

Defining the Problem: A Distribution Gap

Projecting Distribution Forward

High Transportation Cost/Limited Airlift

Air Sustainment Shipments $4.50/lb

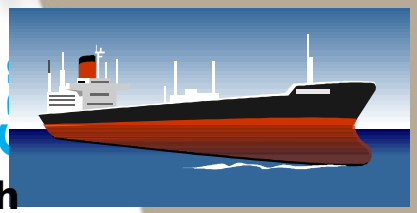
Strategic Distribution Centers

Surface Sustainment Shipments $.22/lb

Capability Gap Caused By:

- **Airlift Costs**
- **Lift Availability**
- **Shortened Delivery Time Targets**
- **Limited Range/Depth of Forward Stocks**
- **Remote Locations**

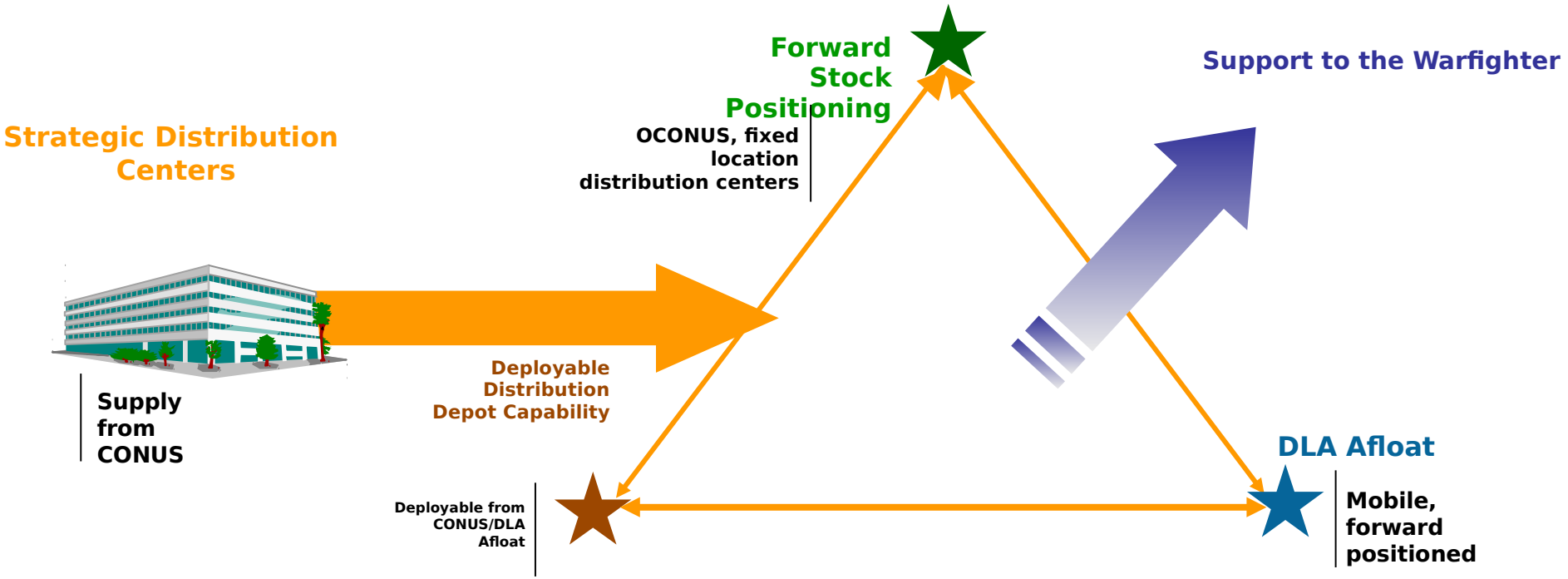
Fills the



Long Delivery Lead Time

Leverages Peacetime Capabilities to Meet Wartime Operations

DLA's Global Stock Positioning Strategy



DLA Moving Out To Provide Comprehensive Distribution Management

An Integrated Forward Distribution Strategy

Support Timeline

Pre-Deployment **Deployment** **Sustainment**

Support to the Warfight

Forward Stock Positioning

Deployable Distribution Depot

A Synchronized Forward Distribution Strategy

Deployable Defense Distribution Center Capability/DLA Afloat

- **Goal: A scalable, deployable distribution capability to enhance theater logistics support**
- **Provides:**
  - **Joint distribution system that interfaces with service retail systems, TRANSCOM port operations, and DoD vendors**
  - **In-theater wholesale inventory of Class I, II, III(P), IV, VIII, and IX material to support operations including repair activities**
  - **Consolidation and transshipment services as well as configuring/reconfiguring capabilities**
  - **Visibility (level six detail) and positive asset control**

Deployable Defense Distribution Center Capability/DLA Afloat

- Addresses:
  - Synchronization between Strategic and Theater Distribution
  - Trust that the distribution system will deliver on time
  - Sustainment build up in theater awaiting inland transportatio
  - Reliance on air when surface distribution is a viable option
  - Loss of visibility of cargo at strategic nodes in the AOR
  - Improved method to identify lost and frustrated cargo
  - Leverages emerging sea-basing technologies

A flexible, predictive and visible Distribution Pipeline from the source of supply to the point of consumption

Questions